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Rewald Investors Asked to Join Suit Against CIA

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California lawyers Melvin Belli and Rodney Klein and Honolulu attorney Robert Smith last night asked 45 investors and creditors in Ronald Rewald's bankrupt firm to support them in their bid to get back their money by suing the CIA.

The three believe that the CIA caused the collapse of Bishop, Baldwin, Rewald, Dillingham & Wong and called investors to a meeting at the Royal Hawaiian Hotel to discuss the matter.

Smith, who represents Rewald in civil cases, told investors and creditors that the primary purpose of the gathering "is for you," and that they would "be lucky to get 10 cents on the dollar" after bankruptcy proceedings.

Rewald was at the session also.

The lawyers hinted at more information about possible evidence they have in their three suits against the U.S. Central Intelligence Agency in a following session that was closed to the media. Fourth and fifth suits are in the offing, they said.

Belli said, "I just can't wait until we get out from under the wraps. We're not supposed to say too much. This is an unusual suit. I can certainly say I think we'll be able to recover from the CIA and that they were the ones fundamentally wrong in this."

Belli explained that the combined forces of the lawyers and investors/creditors would be "cheaper for us and more expeditious."

ATTORNEY fees in federal court are limited to 25 percent, Belli said, and the lawyers are advancing the court costs. If the suits are successful, the government would pay the fees. If things don't turn out well, the investors/creditors won't be out any more than they are now, Belli said.

Belli said he planned to be in federal court this morning when bankruptcy trustees meet with all investors in the defunct firm.

The three attorneys will coordinate their efforts, despite a possible future conflict of interest,

and they want as many as possible of the 410 known investors/creditors to back their efforts.

Belli said the principal point in the case is that, "The government says Rewald didn't have a contract with the CIA and if he did, it was secret and therefore it is a political question."

One premise for cooperation from creditors/investors in numbers might be to pressure the CIA to the point of settling out of court, rather than go into information that already has been impounded by court order.

Belli said he thinks "we'll be able to recover (the Rewald firm's missing \$20 million) from the CIA."

Belli has filed a \$10 million dollar claim against the CIA for a core group, called the Bishop, Baldwin, Rewald, Dillingham & Wong Inc. Investors Association.

TED FRIGARD, a retired chiropractor who invested \$300,000 in Rewald's company, formed the group and first contacted Belli.

Frigard believes Rewald worked for the CIA and feels the agency should be held accountable for investors' money.

The CIA, while acknowledging slight contact with Rewald, denies forming or operating his company.

Belli said that the "CIA made money on the venture" and wondered why the trustees weren't suing it. He told the audience that they would have their money already "if the CIA hadn't unfairly blown the whistle on their agent."

He invited the investors/creditors to "be comfortable with us" and to remember that, "Patience is the name of the game."